

29 OCT 1986

NOTE FOR: The Director
VIA: Dave Gries
FROM: [] Legislation Division
Office of Congressional Affairs
SUBJECT: [] Personnel Proposals

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Many of the personnel proposals contained in [] letter to you of 6 October are worthwhile. Some would require legislation while others could be implemented without congressional action. Listed below are comments on each specific proposal.

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a. Expand the CIA Retirement System: Expanding CIARDS to cover employees working in the United States would require legislation. A similar proposal was suggested to the oversight committees a couple of years ago, and strong opposition was expressed by the HPSCI because it was felt employees serving at Headquarters were not that different from other government employees. Nevertheless, Chairman Durenberger did agree that the matter required further study. I suggest we wait until the SSCI completes its study on the Agency personnel system before deciding whether to make an effort to expand CIARDS.

b. Eliminate Unnecessary Restrictions on SIS Headroom: Eliminating restrictions on SIS Headroom would not require legislation. Nevertheless, OMB approval would be required to create additional SIS slots.

c. Restructure the SIS Bonus System: No additional legislation would be required to increase bonuses.

d. Reduce the Cost of Benefits to the Maximum Extent Practical: This proposal calls for the Agency to subsidize GEHA so as to relieve the financial burden on our employees under cover who have to enroll in the Agency-sponsored health insurance plan. Both the HPSCI and SSCI have already recognized the problem and have approved the use of unallocated funds to reduce the monthly premium charged to our employees for belonging to the plan.

e. Let Employees Buy Mileage Points: The Comptroller General has ruled that airline tickets earned as a result of employees' participation in a frequent flyer program while on government business are the property of the U.S. Government. This proposal would enable the Agency to sell to the employee airline tickets earned by the employee as a result of participation in a frequent flyer program. The employee would be able to purchase the ticket at a price less than what it would otherwise cost to purchase the ticket directly from the airline. Implementation of this proposal would require legislation. Various laws regarding disposition of government property would have to be amended to permit the sale of airline tickets at a reduced price. Furthermore, this proposal raises possible conflict of interest problems since the employee would be encouraged to choose airlines on the basis of the acquisition of bonus points. To avoid this problem, laws regarding conflict of interest would have to be amended or the HPSCI and SSCI would have to agree that such a practice was not a conflict of interest. The Office of Government Ethics and the Department of Justice have already reacted negatively to the proposal. As [] has indicated, Stanley Sporkin worked on the proposal. However, I understand that Sporkin expressed skepticism about the proposal after reviewing the aforementioned problems.

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